



DEPARTMENT OF LABOR

Employment and Training Administration

Comment Request for Information Collection on Employment and Training (ET) Handbook 361, Unemployment Insurance (UI) Data Validation (DV), extension with revisions

AGENCY: Employment and Training Administration (ETA), Labor.

ACTION: Notice.

SUMMARY: The Department of Labor (Department), as part of its continuing effort to reduce paperwork and respondent burden, conducts a preclearance consultation program to provide the public and Federal agencies with an opportunity to comment on proposed and/or continuing collections of information in accordance with the Paperwork Reduction Act of 1995 [44 U.S.C. 3506(c)(2)(A)]. This program helps ensure that requested data can be provided in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the impact of collection requirements on respondents can be properly assessed.

Currently, ETA is soliciting comments concerning the collection of data for the UI DV program. Collection authority for this program expires July 31, 2014.

DATES: Written comments must be submitted to the office listed in the addresses section below on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Submit written comments to Burman Skrable, Room S-4524, Employment and Training Administration, U.S. Department of Labor, 200 Constitution Avenue NW., Washington, DC 20210. Telephone number: 202-693-3197 (this is not a toll-free number). Individuals with hearing or speech impairments may access the telephone number above via

TTY by calling the toll-free Federal Information Relay Service at 1-877-889-5627

(TTY/TDD). E-mail: skrable.burman@dol.gov. A copy of the proposed information collection request (ICR) can be obtained by contacting the office listed above.

SUPPLEMENTARY INFORMATION:

I. Background

Section 303(a)(6) of the Social Security Act specifies that the Secretary of Labor will not certify State UI programs to receive administrative grants unless the State's law includes provisions for--

making of such reports...as the Secretary of Labor may from time to time require, and compliance with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports.

The Department considers data validation one of those "provisions...necessary to assure the correctness and verification" of the reports it requires.

The Government Performance and Results Act of 1993 (GPRA) requires Federal agencies to develop annual and strategic performance plans that establish performance goals, have concrete indicators of the extent that goals are achieved, and set performance targets. Each year, the agency is to issue a report that "evaluate[s] the performance plan for the current fiscal year relative to the performance achieved toward the performance goals in the fiscal year covered by the report." Section 1116 (d)(2) of OMB Circular A-11, which implements the GPRA process, cites the Reports Consolidation Act of 2000 to emphasize the need for data validation by requiring that the agency's annual performance report "contain an assessment of the completeness and reliability of the performance data included in it [that]...describes any material inadequacies in the completeness and reliability of the data."

(OMB Circular A-11, Section 230.2 (f)). The Department emphasizes the importance of complete and accurate information for program monitoring and improving program performance.

The UI DV program employs a refined and automated approach to review 322 elements reported on 13 benefits reports and one tax report. The Department uses many of these elements for key performance measures as well as for workload items.

The validation process assesses the validity (accuracy) of the counts of transactions or measurements of status as follows. In the validation process, guided by a detailed handbook, the state first constructs extract files containing all pertinent individual transactions for the desired report period to be validated. These transactions are grouped into 15 benefits and five tax populations. Each transaction record contains the necessary characteristics or dimensions that enable it to be summed into an independent recount of what the state has already reported. The Department provides state agencies with software that edits the extract file (to identify and remove duplicate transactions and improperly built records, for example), then aggregates the transactions to produce an independent reconstruction or “validation count” of the reported figure. The reported count is considered valid by this “quantity” validation test if it is within $\pm 2\%$ of the validation count ($\pm 1\%$ for a GPRA-related element).

The software also draws samples of most transaction types from the extract files. Guided by a state-specific handbook, the validators review these sample records against documentation in the state’s management information system to determine whether the transactions in the extract file are supported by system documentation. This qualitative check determines whether the validation count can be trusted as accurate. The benefits extract files are considered to pass this “quality” review if random samples indicate that no more than 5% of

the records contain errors; tax files are subjected to different but related tests. A reported count is considered valid only if it differs from a reconstructed (validation) count by no more than the appropriate criterion of $\pm 2\%$ or $\pm 1\%$, and that validation count comes from an extract file that has satisfied all quality tests.

For Federal fiscal years 2011 and beyond, all states will be required to conduct a complete validation every three years. In three cases the three-year rule does not apply, and a revalidation must occur within one year: (1) groups of reported counts that are summed for purposes of making a Pass/Fail determination and do not pass validation by being within $\pm 2\%$ of the reconstructed counts or the extract file does not pass all quality tests; (2) the validation applies to the two benefits populations and one tax population used for GPRA measures; and (3) reports are produced by new reporting software. Every year states must also certify that Module 3 of the Benefits and Tax handbooks are up to date.

In January 2012 through UIPL 08-12 the Department issued changes that added 100 cells to the ETA 227 report; most of these cells will be validated through the UI DV program. The ETA 227 report is now validated through three of the 15 benefit populations.

Accommodating the new report cells requires: 1) adding a sixteenth benefit population; 2) making one-time changes to the three populations that validate the old 227 report; and 3) adding 13 items (called Steps or Substeps) to Module 3 of the Benefits handbook, which relates State definitions and data system locations for Federal reporting requirements. These changes will impose both one-time and continuing burdens on state validators.

II. Review Focus

The Department is particularly interested in comments which:

- evaluate whether the proposed collection of information is necessary for the proper

- performance of the functions of the agency, including whether the information will have practical utility;
- evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
 - enhance the quality, utility, and clarity of the information to be collected; and
 - minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submissions of responses.

III. Current Actions

Type of Review: Extension with revisions

Title: Unemployment Insurance Data Validation Benefits and Tax

OMB Number: 1205-0431

Affected Public: State Workforce Agencies

Form(s): ET Handbook 361:

Total Annual Respondents: 53

Annual Frequency: At least five validation items per state (two benefits populations and one tax population) plus reviewing and certifying that Benefits and Tax Module items are up to date.

Total Annual Estimated Responses: 265 (53 states x 5 populations)

Average Time per Response: 573 Hours

Estimated Total Annual Burden Hours: 30,369 Hours

Total Annual Burden Cost for Respondents: \$1,244,825.31

Comments submitted in response to this comment request will be summarized and/or included in the request for OMB approval of the ICR; they will also become a matter of public record.

DATED: Signed on this 5th day of July, 2012

SIGNED:

Jane Oates,

Assistant Secretary for Employment and Training, Labor.

BILLING CODE – 4510- FW-P

[FR Doc. 2012-17068 Filed 07/12/2012 at 8:45 am; Publication Date: 07/13/2012]